

MARKETS GENERALLY

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The definition of "market," which has already been furnished, is also exactly applicable to the money market, which denotes no specific locality, but comprises the aggregate capitalists, bankers, merchants, traders, and the public who borrow or lend money, and by whom the rate charged for the use of money is settled as the result of their mutual transactions.

It will be convenient to divide this section into the three inquiries: the nature of the article dealt in; the dealers; and the manner in which the dealings are effected. It will be seen that the process is entirely an exchange between persons of what one desires to obtain, and the other wishes to dispose of on an equality of value, and that the principle of supply and demand¹ is still the determining factor.

The article dealt in is money² in the shape of loans for purposes of trade, commerce and financial operations—the exchange consisting of so much money for so much security. Money, in popular conception, is considered to be synonymous with gold or silver that has been coined into the several denominations which are called currency³ (though it will

¹ Supply and demand: these words form simply the shorthand expression for the relation between the number and intensity of desire of buyers and the amount of the stock of goods available at the time for their wants. If the supply be small, and the buyers many and eager, the latter compete with each other for the stock by higher offers. If the supply be large, and the possible purchasers few and indifferent, the sellers must, in their turn, bid against each other by reducing prices.

² Money: derived from the Latin *moneta*, a surname of Juno, in whose temple at Rome money was coined: hence the term Mint also. The literal sense of *moneta* is the "warning one," from the Latin *monere*, to warn, to admonish—literally, to cause to remember. Cicero states that Juno was also worshipped as *Moneta*, or "the admonisher." The term Money affords a striking illustration of the vagaries into which a superficial derivation may lead. It is not derived from the quality here

attributed to Juno, but from the incidental fact only of her temple being used as a place of coinage. In these ancient times the temples were utilised as banks for the safe keeping of money and valuable articles on account of their deep foundations and massive construction—impervious to thieves — and also of the tutelary sanctity which they possessed. Possibly similar reasons suggested the temple as a place for coinage, by reason of the safety and secrecy which the process involved.

³ Currency: derived from the Latin *currere*, to speed, to pass quickly.

As running is the rapid progress from point to point in space, so currency forms the means of the swift passage of goods from one to another person.